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NSC BR	No Change in Class. INTENOSHIED X DECLASSIFIED Class. Changed to: To 8 C	20 May 1958
	Sext Ravism Data:	Aos

- I. Only 6 months fout of the bush; Communist Neo Lao Hak Zat Party has emerged as most dynamic political force.
 - A. On basis near-complete returns from 4 May elections, Commies and affiliates will have won possibly 14 of 21 contested assembly seats.
 - B. Leftist bloc may get two allies from old members giving them possible 16 out of total 59 seats.
 - In addition, they may get additional support from opportunistic deputies.
- II. Conservative defeat due to split ticket, failure to reach rural masses, and widespread resentment against government corruption.

 Conservatives actually grossed plurality of votes.
 - A. French ambassador encouraged casual attitude toward Communists prior to elections.
 - B. By contrast, Communists had well-organized campaign, behind single slate on effective platform of supporting the crown, established traditions, and reform.
 - 1. Communists' main strength in rural areas where propagandists long active and population fearful of renewed civil war.
- III. Current Commie strategy apparently is to urge retention of status quo coalition government, with its two Communist members, under present Premier Souvanna Phouma rather than push for greater representation on basis election showing.

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- A. This intended to lull conservative fears and forestall efforts at unity.
- B. Many conservative elements appear all too ready to buy this easy solution.
- IV. However, leftists could switch tactics and with cooperation of opportunists in assembly, try to bring about dissolution of assembly and early general elections.
 - A. In such case, observers believe leftists could get overwhelming majority.
- V. Continuing Communist political gains in Laos will have considerable impact on other Southeast Asian countries.
 - A. Sentiment for neutrality will be strengthened.
 - B. Respectability of Communists will be enhanced, making it more difficult for governments facing Communist-dominated insurgents (Malaya and Burma) to insist on hard surrender terms.
 - C. Communist political and psychological pressure on neighboring Thailand, Cambodia and South Vietnam will be increased.